

**City of West St. Paul
Economic Development Authority Work Session Minutes
January 11, 2021**

1. Call to Order

President Napier called the meeting to order at 5:00 p.m.

2. Roll Call

Present: President Dave Napier
Commissioners Wendy Berry, Julie Eastman, Lisa Eng-Sarne,
Robyn Gulley, John Justen, and Dick Vitelli

Absent: None

Also Present: City Manager Ryan Schroeder
City Attorney Kori Land
Police Chief Brian Sturgeon
Community Development & Executive Director Jim Hartshorn
City Clerk/EDA Secretary Shirley Buecksler

3. Approve Agenda

Motion was made by Commissioner Justen and seconded by Commissioner Berry to approve the agenda, as presented.

Vote: 7 ayes / 0 nays. Motion carried.

4. Agenda Items

A. Review of EDA Bylaws Regarding the City Manager Position

On the City Council OCWS at this same meeting, City Manager Schroeder said is a request to affirm the position profile for the recruitment of a new City Manager to replace the retiring City Manager. In development of the profile, the search consultant received suggestions that the Board discuss if there is a desire to change the reporting relationships that relate to the EDA, the City Manager and EDA Executive Director positions. Direction from the EDA Board is sought to provide clarity to the search consultant on what skills and abilities may or may not be priorities for the next City Manager.

In our current structure, the EDA Executive Director is a direct report to the City Manager, while serving as the Community Development Director. However, while serving as the EDA Executive Director, the position is a direct report of the EDA Board and not the City Manager. While the current structure has been functioning over the

past four years, it holds the potential for confusion, should there be lack of alignment between the Director and the City Manager or between the EDA Board and the Director.

A memorandum from the City Attorney was provided in the EDA's packet discussing some of the history of the current structure and suggestions for Board consideration on solving for the potential issues that this structure could create. The City Attorney has provided two options for consideration. One option would be to include EDA Executive Director within the title/job responsibilities of the City Manager. The second option is to provide language clarifying that the Executive Director answers to the City Manager (who in turn would answer to the EDA Board). An advantage of the latter option is that the development community would continue to know to contact the Community Development Director as the first contact for development inquiries.

President Napier said, looking at the organizational chart, it is a great move to clean it up and make it flow.

Commissioner Berry asked what the standard is. Schroeder said he has served as the Executive Director in other positions. South St. Paul had an Executive Director to their Housing & Redevelopment Authority (HRA). When the incumbent retired, they eliminated that reporting. He is not aware of others where the Executive Director is not the City Manager.

Schroeder said the current structure has worked but the improved clarity of one position reporting to the Council is better.

Commissioner Justen said he sees the same clarity if the City Manager is the Executive Director. The 2017 Council brought it forward but it never happened. He sees a more straightforward relationship if we do both, and we may get more ambitious forwarding-looking candidates in our recruitment process. Option 1, with the City Manager as the EDA Executive Director, is his preference. He thinks it's cleaner and better to convert now before hiring a new City Manager.

President Napier said an ambitious Commissioner could go directly to the Executive Director and bypass the City Manager. There is a big piece that would be missing. It puts Hartshorn in a much better position with this change.

Commissioner Eastman questioned the resolution that grants the Executive Director to accept offers to sell EDA property prior to obtaining EDA approval. Does that mean to just accept as in receive, not in accept and set the expectation of the deal? Attorney Land clarified that, back in 2006 - 2009, when the EDA was acquiring a lot of residential properties and we needed to act quickly, that's where that resolution came from. The Executive Director was given authority to accept offers and would verbally bind those offers for sale but then had to come back to the EDA for approval. That resolution grants him authority to accept an offer for sale of property, knowing that it

still needs to come back to the EDA in a formal purchase agreement, but it does allow him to bind the EDA.

Commissioner Eastman commented on page 2, where it states that the EDA may employ an Executive Director but it must hire the Community Development Director as it's Executive Director. She doesn't like this language. Attorney Land said when the EDA was forming and determining who was going to be the Executive Director, several City Managers at the time did not have any interest in doing the economic development arm themselves. When the Community Development Director position, it was formed around them being the Executive Director.

Commissioner Eastman said she is concerned that we have the structure of the City Council and, separately, the EDA. Do we have proper channels to do business ethically? Schroeder said there is a difference between what authority an individual position may have and versus what authority they exercise. For instance, there have been a lot of things in the past four years where the City Manager, structurally, has authority to make a decision but the City Manager brings it to the City Council, anyway, for obvious reasons. If there is any question, the City Manager would have brought it to the City Council in the last four years, just so there is clarity. But if there is concern about and the EDA's direction is to make the City Manager and EDA Executive Director the same position, we will address it and fix any transparency concerns the Board or the Council may have.

Commissioner Eng-Sarne asked if the City Manager inherits the Executive Director title, does that still leave the Community Development Director to do the work, despite not having the title? Schroeder said it has functioned well and he anticipates if you make this change, you wouldn't recognize any change at the table. But he cannot speak for the next City Manager who may function differently. There is an advantage to clarifying the reporting relationships up through the City Manager to the Board and the Council. That is what he thinks needs to be addressed.

Commissioner Justen said if we make this change, we would need to modify the job description for the Community Development Director. Would it impact the Community Development Director's? Attorney Land said no, she doesn't believe the intent was to increase or decrease the position of Community Development Director. It was just clarification language that this person functions as an economic development implementation person and that's why the change was made to the position description. She doesn't think it will impact the salary in any way.

Commissioner Berry said the Community Development Director would get more direct performance evaluations and conversations than they would when reporting to the EDA half the time. She thinks there is clarity for the City but also for that position in knowing how they're doing. There is clarity for many reasons.

Schroeder said we will need to bring this back.

President Napier asked Hartshorn for any updates that he can share. Hartshorn said we have more interest ever since the Dominion project was approved, and Town Center I and Oppidan, he is getting more interest from developers and showing more sites. There will be some discussion tonight about the former Perkins site. The broker sent him the brochure the same day they signed the purchase agreement, so there wasn't an opportunity to bring anyone in. It's a rather small site because restaurants want a drive thru.

Hartshorn said we have had back-to-back record years for increased project market value.

President Napier asked if there is a house going in on the property at Marie Avenue and Delaware Avenue? Hartshorn said there is and we have ten single family homes waiting in line to come pick up their building permits. It looks to be another good year.

President Napier said restaurants are opening again at 50% capacity, so please continue to support them.

5. Adjourn

Motion was made by Commissioner Eng-Sarne and seconded by Commissioner Gulley to adjourn the meeting at 5:21 p.m.

All members present voted aye. Motion carried.



David J. Napier
President
City of West St. Paul